

104TH CONGRESS
1ST SESSION

S. 642

To provide for demonstration projects in six States to establish or improve a system of assured minimum child support payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 28 (legislative day, MARCH 27), 1995

Mr. DODD (for himself and Mr. ROCKEFELLER) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To provide for demonstration projects in six States to establish or improve a system of assured minimum child support payments, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Support Assur-
5 ance Act of 1995”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds that—

8 (1) the number of single-parent households has
9 increased significantly;

1 (2) there is a high correlation between child-
2 hood poverty and growing up in a single-parent
3 household;

4 (3) family dissolution often brings the economic
5 consequence of a lower standard of living for the
6 custodian and children;

7 (4) children are nearly twice as likely to be in
8 poverty after a family dissolution as before a family
9 dissolution;

10 (5) one-fourth of the single mothers who are
11 owed child support receive none and another one-
12 fourth of such mothers receive only partial child sup-
13 port payments;

14 (6) single mothers above and below the poverty
15 line are equally likely to receive none of the child
16 support they are owed; and

17 (7) the failure of children to receive an ade-
18 quate level of child support limits the ability of such
19 children to thrive and to develop their potential and
20 leads to long-term societal costs in terms of health
21 care, welfare, and loss in labor force productivity.

22 (b) PURPOSE.—It is the purpose of this Act to enable
23 participating States to establish child support assurance
24 systems in order to improve the economic circumstances
25 of children who do not receive a minimum level of child

1 support from the noncustodial parents of such children
2 and to strengthen the establishment and enforcement of
3 child support awards. The child support assurance ap-
4 proach is structured on a demonstration basis in order to
5 implement and evaluate different options with respect to
6 the provision of intensive support services and mechanisms
7 for administering the program on a national basis.

8 **SEC. 3. ESTABLISHMENT OF CHILD SUPPORT ASSURANCE**
9 **DEMONSTRATION PROJECTS.**

10 (a) IN GENERAL.—In order to encourage States to
11 provide a guaranteed minimum level of child support for
12 every eligible child not receiving such support, the Sec-
13 retary of Health and Human Services (hereafter in this
14 section referred to as the “Secretary”) shall make grants
15 to not more than 6 States to conduct demonstration
16 projects for the purpose of establishing or improving a sys-
17 tem of assured minimum child support payments in ac-
18 cordance with this section.

19 (b) CONTENTS OF APPLICATION.—An application for
20 a grant under this section shall be submitted by the Chief
21 Executive Officer of a State and shall—

22 (1) contain a description of the proposed child
23 support assurance project to be established, imple-
24 mented, or improved using amounts provided under
25 this section, including the level of the assured bene-

1 fit to be provided, the specific activities to be under-
2 taken, and the agencies that will be involved;

3 (2) specify whether the project will be carried
4 out throughout the State or in limited areas of the
5 State;

6 (3) estimate the number of children who will be
7 eligible for assured minimum child support payments
8 under the project, and the amounts to which they
9 will be entitled on average as individuals and in the
10 aggregate;

11 (4) describe the child support guidelines and re-
12 view procedures which are in use in the State and
13 any expected modifications;

14 (5) contain a commitment by the State to carry
15 out the project during a period of not less than 3
16 and not more than 5 consecutive fiscal years begin-
17 ning with fiscal year 1997;

18 (6) contain assurances that the State—

19 (A) is currently at or above the national
20 median paternity establishment percentage (as
21 defined in section 452(g)(2) of the Social Secu-
22 rity Act (42 U.S.C. 652(g)(2));

23 (B) will improve the performance of the
24 agency designated by the State to carry out the
25 requirements under part D of title IV of the

1 Social Security Act by at least 4 percent each
2 year in which the State operates a child support
3 assurance project under this section in—

4 (i) the number of cases in which pa-
5 ternity is established when required;

6 (ii) the number of cases in which child
7 support orders are obtained; and

8 (iii) the number of cases with child
9 support orders in which collections are
10 made; and

11 (C) to the maximum extent possible under
12 current law, will use Federal, State, and local
13 job training assistance to assist individuals who
14 have been determined to be unable to meet such
15 individuals' child support obligations;

16 (7) describe the extent to which multiple agen-
17 cies, including those responsible for administering
18 the Aid to Families With Dependent Children Pro-
19 gram under part A of title IV of the Social Security
20 Act and child support collection, enforcement, and
21 payment under part D of such title, will be involved
22 in the design and operation of the child support as-
23 surance project; and

24 (8) contain such other information as the Sec-
25 retary may require by regulation.

1 (c) USE OF FUNDS.—A State shall use amounts pro-
2 vided under a grant awarded under this section to carry
3 out a child support assurance project designed to provide
4 a minimum monthly child support benefit for each eligible
5 child in the State to the extent that such minimum child
6 support is not paid in a month by the noncustodial parent.

7 (d) REQUIREMENTS.—

8 (1) IN GENERAL.—A child support assurance
9 project funded under this section shall provide
10 that—

11 (A) any child (as defined in paragraph (2))
12 with a living noncustodial parent for whom a
13 child support order has been sought (as defined
14 in paragraph (3)) or obtained and any child
15 who meets “good cause” criteria for not seeking
16 or enforcing a support order is eligible for the
17 assured child support benefit;

18 (B) the assured child support benefit shall
19 be paid promptly to the custodial parent at
20 least once a month and shall be—

21 (i) an amount determined by the
22 State which is—

23 (I) not less than \$1,500 per year
24 for the first child, \$1,000 per year for
25 the second child, and \$500 per year

1 for the third and each subsequent
2 child; and

3 (II) not more than \$3,000 per
4 year for the first child and \$1,000 per
5 year for the second and each subse-
6 quent child;

7 (ii) offset and reduced to the extent
8 that the custodial parent receives child
9 support in a month from the noncustodial
10 parent;

11 (iii) indexed and adjusted for infla-
12 tion; and

13 (iv) in the case of a family of children
14 with multiple noncustodial parents, cal-
15 culated in the same manner as if all such
16 children were full siblings, but any child
17 support payment from a particular
18 noncustodial parent shall only be applied
19 against the assured child support benefit
20 for the child or children of that particular
21 noncustodial parent;

22 (C) for purposes of determining the need
23 of a child or relative and the level of assistance,
24 one-half of the amount received as a child sup-
25 port payment shall be disregarded from income

1 until the total amount of child support and Aid
2 to Families With Dependent Children benefit
3 received under part A of title IV of the Social
4 Security Act equals the income official poverty
5 line (as defined by the Office of Management
6 and Budget, and revised annually in accordance
7 with section 673(2) of the Omnibus Budget
8 Reconciliation Act of 1981) that is applicable to
9 a family of the size involved;

10 (D) in the event that the family as a whole
11 becomes ineligible for aid to families with de-
12 pendent children under part A of title IV of the
13 Social Security Act due to consideration of as-
14 sured child support benefits, the continuing eli-
15 gibility of the caretaker for aid to families with
16 dependent children under such title shall be cal-
17 culated without consideration of the assured
18 child support benefit; and

19 (E) in order to participate in the child sup-
20 port assurance project, the child's caretaker
21 shall apply for services of the State's child sup-
22 port enforcement program under part D of title
23 IV of the Social Security Act.

24 (2) DEFINITION OF CHILD.—For purposes of
25 this section, the term “child” means an individual

1 who is of such an age, disability, or educational sta-
2 tus as to be eligible for child support as provided
3 for by the law of the State in which such individual
4 resides.

5 (3) DETERMINATION OF SEEKING A CHILD SUP-
6 PORT ORDER.—For purposes of this section, a child
7 support order shall be deemed to have been
8 “sought” where an individual has applied for serv-
9 ices from the State agency designated by the State
10 to carry out the requirements of part D of title IV
11 of the Social Security Act or has sought a child sup-
12 port order through representation by private or pub-
13 lic counsel or pro se.

14 (e) CONSIDERATION AND PRIORITY OF APPLICA-
15 TIONS.—

16 (1) SELECTION CRITERIA.—The Secretary shall
17 consider all applications received from States desir-
18 ing to conduct demonstration projects under this
19 section and shall approve not more than 6 applica-
20 tions which appear likely to contribute significantly
21 to the achievement of the purpose of this section. In
22 selecting States to conduct demonstration projects
23 under this section, the Secretary shall—

24 (A) ensure that the applications selected
25 represent a diversity of minimum benefits dis-

1 tributed throughout the range specified in sub-
2 section (d)(1)(B)(i);

3 (B) consider the geographic dispersion and
4 variation in population of the applicants;

5 (C) give priority to States with applica-
6 tions that demonstrate—

7 (i) significant recent improvements
8 in—

9 (I) establishing paternity and
10 child support awards;

11 (II) enforcement of child support
12 awards; and

13 (III) collection of child support
14 payments;

15 (ii) a record of effective automation;
16 and

17 (iii) that efforts will be made to link
18 child support systems with other service
19 delivery systems;

20 (D) ensure that the proposed projects will
21 be of a size sufficient to obtain a meaningful
22 measure of the effects of child support assur-
23 ance;

24 (E) give priority, first, to States intending
25 to operate a child support assurance project on

1 a statewide basis, and, second, to States that
2 are committed to phasing in an expansion of
3 such project to the entire State, if interim eval-
4 uations suggest such expansion is warranted;
5 and

6 (F) ensure that, if feasible, the States se-
7 lected use a variety of approaches for child sup-
8 port guidelines.

9 (2) REQUIREMENTS FOR GRANTEES.—Of the
10 States selected to participate in the demonstration
11 projects conducted under this section, the Secretary
12 shall require, if feasible—

13 (A) that at least 2 provide intensive inte-
14 grated social services for low-income partici-
15 pants in the child support assurance project, for
16 the purpose of assisting such participants in
17 improving their employment, housing, health,
18 and educational status; and

19 (B) that at least 2 have adopted the Uni-
20 form Interstate Family Support Act.

21 (f) DURATION.—During fiscal year 1996, the Sec-
22 retary shall develop criteria, select the States to partici-
23 pate in the demonstration, and plan for the evaluation re-
24 quired under subsection (h). The demonstration projects
25 conducted under this section shall commence on October

1 1, 1996, and shall be conducted for not less than 3 and
2 not more than 5 consecutive fiscal years, except that the
3 Secretary may terminate a project before the end of such
4 period if the Secretary determines that the State conduct-
5 ing the project is not in substantial compliance with the
6 terms of the application approved by the Secretary under
7 this section.

8 (g) COST SAVINGS RECOVERY.—The Secretary shall
9 develop a methodology to identify any State cost savings
10 realized in connection with the implementation of a child
11 support assurance project conducted under this Act. Any
12 such savings realized as a result of the implementation
13 of a child support assurance project shall be utilized for
14 child support enforcement improvements or expansions
15 and improvements in the Aid to Families With Dependent
16 Children Program conducted under part A of title IV of
17 the Social Security Act within the participating State.

18 (h) EVALUATION AND REPORT TO CONGRESS.—

19 (1) EVALUATION.—The Secretary shall conduct
20 an evaluation of the effectiveness of the demonstra-
21 tion projects funded under this section. The evalua-
22 tion shall include an assessment of the effect of an
23 assured benefit on—

24 (A) income from nongovernment sources
25 and the number of hours worked;

1 (B) the use and amount of government
2 supports;

3 (C) the ability to accumulate resources;

4 (D) the well-being of the children, includ-
5 ing educational attainment and school behavior;
6 and

7 (E) the State's rates of establishing pater-
8 nity and support orders and of collecting sup-
9 port.

10 (2) REPORTS.—Three and five years after com-
11 mencement of the demonstration projects, the Sec-
12 retary shall submit an interim and final report based
13 on the evaluation to the Committee on Finance and
14 the Committee on Labor and Human Resources of
15 the Senate, and the Committee on Ways and Means
16 and the Committee on Economic and Educational
17 Opportunities of the House of Representatives con-
18 cerning the effectiveness of the child support assur-
19 ance projects funded under this section.

20 (i) STATE REPORTS.—The Secretary shall require
21 each State that conducts a demonstration project under
22 this section to annually report such information on the
23 project's operation as the Secretary may require, except
24 that all such information shall be reported according to
25 a uniform format prescribed by the Secretary.

1 (j) RESTRICTIONS ON MATCHING AND USE OF
2 FUNDS.—

3 (1) IN GENERAL.—A State conducting a dem-
4 onstration project under this section shall be re-
5 quired—

6 (A) except as provided in paragraph (2), to
7 provide not less than 20 percent of the total
8 amounts expended in each calendar year of the
9 project to pay the costs associated with the
10 project funded under this section;

11 (B) to maintain its level of expenditures
12 for child support collection, enforcement, and
13 payment at the same level, or at a higher level,
14 than such expenditures were prior to such
15 State's participation in a demonstration project
16 provided by this section; and

17 (C) to maintain the Aid to Families With
18 Dependent Children benefits provided under
19 part A of title IV of the Social Security Act at
20 the same level, or at a higher level, as the level
21 of such benefits on the date of the enactment
22 of this Act.

23 (2) EXCEPTION.—A State participating in a
24 demonstration project under this section may pro-
25 vide not less than 10 percent of the total amounts

1 expended to pay the costs associated with the project
2 funded under this section in years after the first
3 year such project is conducted in a State if the State
4 meets the improvements specified in subsection
5 (b)(6)(B).

6 (k) COORDINATION WITH CERTAIN MEANS-TESTED
7 PROGRAMS.—For purposes of—

8 (1) the United States Housing Act of 1937 (42
9 U.S.C. 1437 et seq.);

10 (2) title V of the Housing Act of 1949 (42
11 U.S.C. 1471 et seq.);

12 (3) section 101 of the Housing and Urban De-
13 velopment Act of 1965 (12 U.S.C. 1701s);

14 (4) sections 221(d)(3), 235, and 236 of the Na-
15 tional Housing Act (12 U.S.C. 1715/(d)(3), 1715z,
16 1715z-1);

17 (5) the Food Stamp Act of 1977 (7 U.S.C.
18 2011 et seq.);

19 (6) title XIX of the Social Security Act (42
20 U.S.C. 1396 et seq.); and

21 (7) child care assistance provided through—

22 (A) part A of title IV of the Social Secu-
23 rity Act (42 U.S.C. 601 et seq.);

24 (B) the Child Care and Development Block
25 Grant Act of 1990 (42 U.S.C. 9858 et seq.); or

1 (C) title XX of the Social Security Act (42
2 U.S.C. 1397 et seq.),
3 any payment made to an individual within the demonstra-
4 tion project area for child support up to the amount which
5 an assured child support benefit would provide shall not
6 be treated as income and shall not be taken into account
7 in determining resources for the month of its receipt and
8 the following month.

9 (l) TREATMENT OF CHILD SUPPORT BENEFIT.—Any
10 assured child support benefit received by an individual
11 under this Act shall be considered child support for pur-
12 poses of the Internal Revenue Code of 1986.

13 (m) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated such sums as may be
15 necessary in each of fiscal years 1996, 1997, 1998, 1999,
16 2000, and 2001 to carry out the purposes of this Act.

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